

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
 Tuesday, February 16, 2016 at 9:00 a.m.
 State Capitol, Room 137
 Helena, MT

ACTION ITEMS

- 216-1 Timber Sale: Game Over**
Benefits: Common Schools, Public Buildings
Location: Missoula County
Approve 5-0
- 216-2 Sale of Cabin and Home Sites: Set Minimum Bid for Sale**
A. Missoula County – Sale 766
Benefits: MSU 2nd Grant
Location: Missoula County
B. Flathead County – Sales 786, 787
Benefits: Montana Tech
Location: Flathead County
Approve 5-0
- 216-3 Sale of Cabin and Home Sites: Final Approval for Sale**
A. Missoula County – Sale 767
Benefits: MSU 2nd Grant
Location: Missoula County
B. Flathead County – Sale 792
Benefits: Montana Tech
Location: Flathead County
C. Flathead County– Sales 798, 799, 804
Benefits: Montana Tech
Location: Flathead County
Approve 5-0
- 216-4 Land Banking Sale: Final Approval for Sale**
A. Valley County – Sales 720-723
Benefits: Common Schools, Eastern College – MSU/Western College – UM
Location: Valley County
B. Ravalli County – Sale 757
Benefits: Common Schools
Location: Ravalli County
C. Granite County – Sale 758
Benefits: Common Schools
Location: Granite County
Approve 5-0
- 216-5 Easements**
Benefits: Common Schools, MSU 2nd, Eastern College – MSU/Western College – UM, Public Buildings, Public Land Trust
Location: Cascade, Gallatin, Lewis and Clark, Mineral, Missoula, Ravalli, Rosebud, Sanders Counties
Approve 5-0

PUBLIC COMMENT

216-1

TIMBER SALE:

Game Over

**Land Board Agenda Item
February 16, 2016**

216-1 Timber Sale: Game Over

**Location: Missoula County
Sections 35 & 36, T16N R14W
Sections 12 & 13, T15N R14W**

Trust Beneficiaries: Common Schools, Public Buildings

Trust Revenue: \$211,069 (estimated, minimum bid)

Item Summary

The Game Over Timber Sale is located approximately 10 miles northwest of Ovando, MT. The sale includes 7 harvest units (675 acres) of tractor logging. The estimated harvest volume is 19,223 tons (2,535 MBF) of sawlogs. The minimum bid is \$10.98 per ton, which would generate approximately \$211,069 for the Common Schools and Public Buildings trusts and \$57,669 in Forest Improvement fees. This project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

This sale has a prescription of individual tree selection. This treatment will: favor western larch and ponderosa pine; emulate disturbances caused by natural wildfire events; bring stands closer to the desired future condition; remove overstory trees with high defect; and improve overall health and vigor. Removing interlocking tree crowns and ladder fuels will promote growth. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing 12 miles of road maintenance. The sale is located on the Blackfoot-Clearwater Wildlife Management Area and the area is closed to the public from mid-November to May 14th every year. There will be one gate installed on the access road to the sale. After operations, the gated road will be open to public non-motorized use after May 14th and open to public motorized use after June 14th.

Access has been obtained to this timber sale via a county road and state highways.

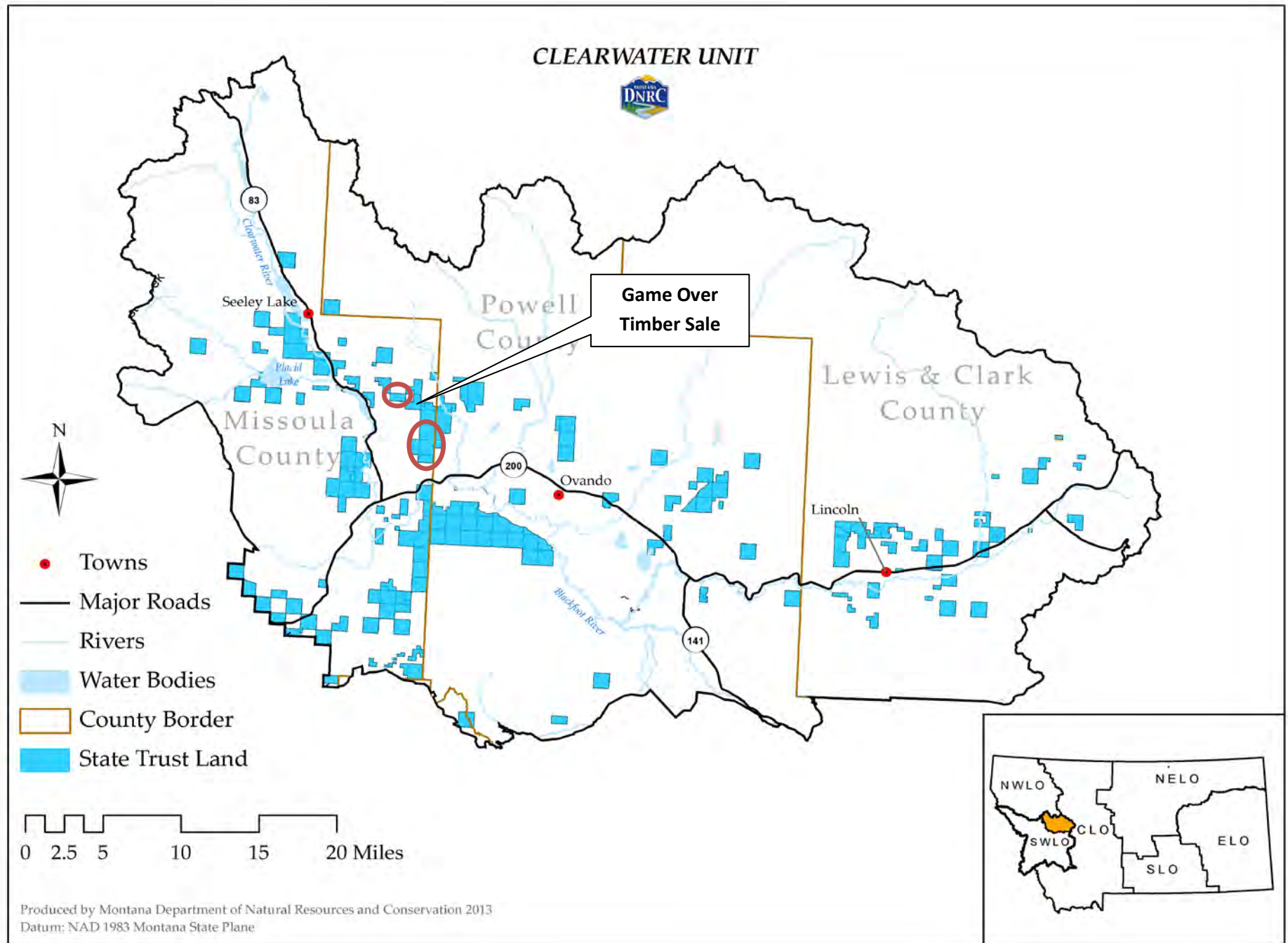
Scoping letters were mailed to adjacent landowners and interested parties in November 2010. The notice was also placed in the *Missoulian* and the *Silver State Post*. One comment was received, and it was in favor of the project. The DNRC Clearwater Unit worked closely with the Montana Department of Fish, Wildlife, and Parks (FWP) throughout project planning and design.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Game Over Timber Sale.

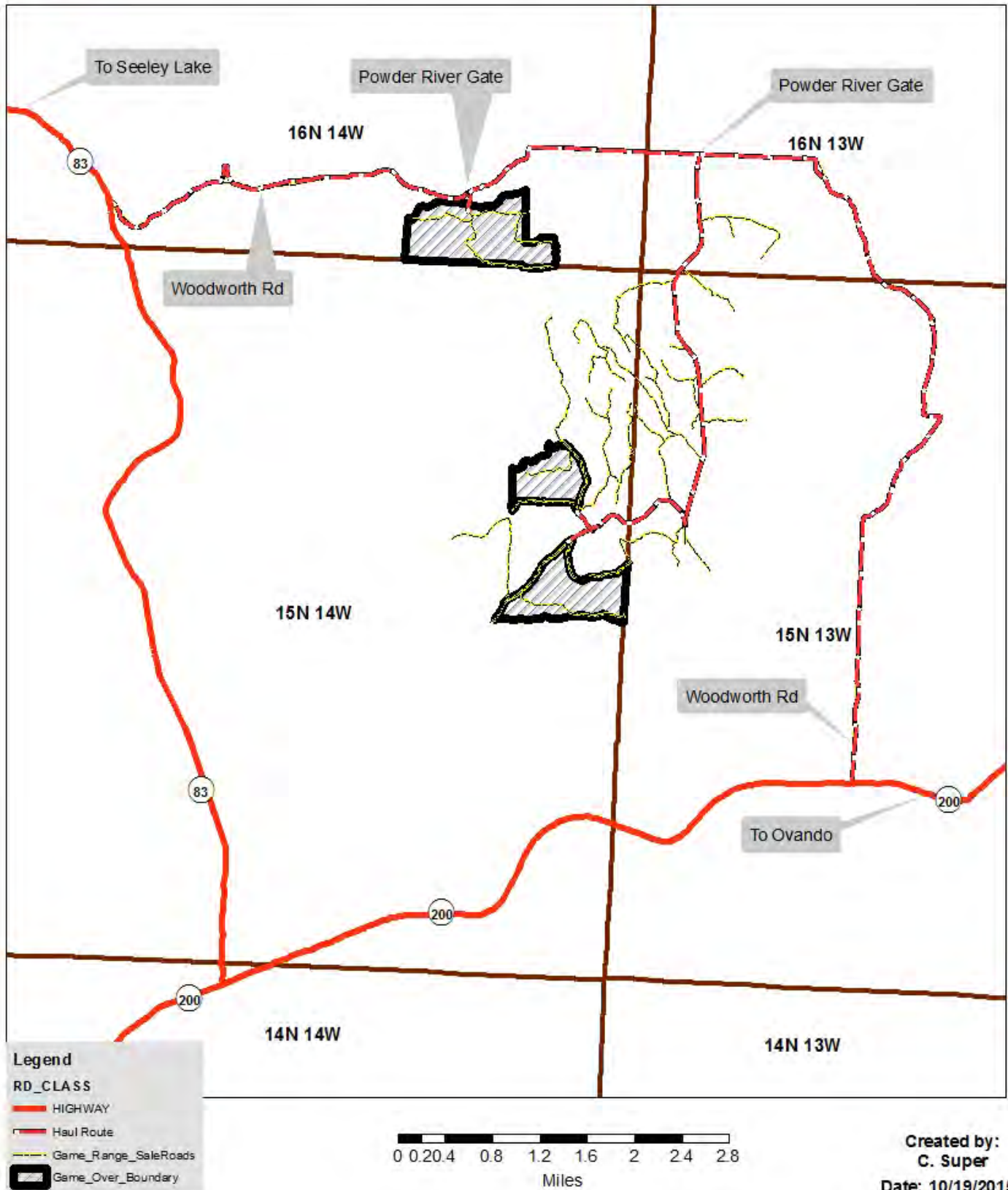
Game Over Vicinity Map

216-1
Attachment A



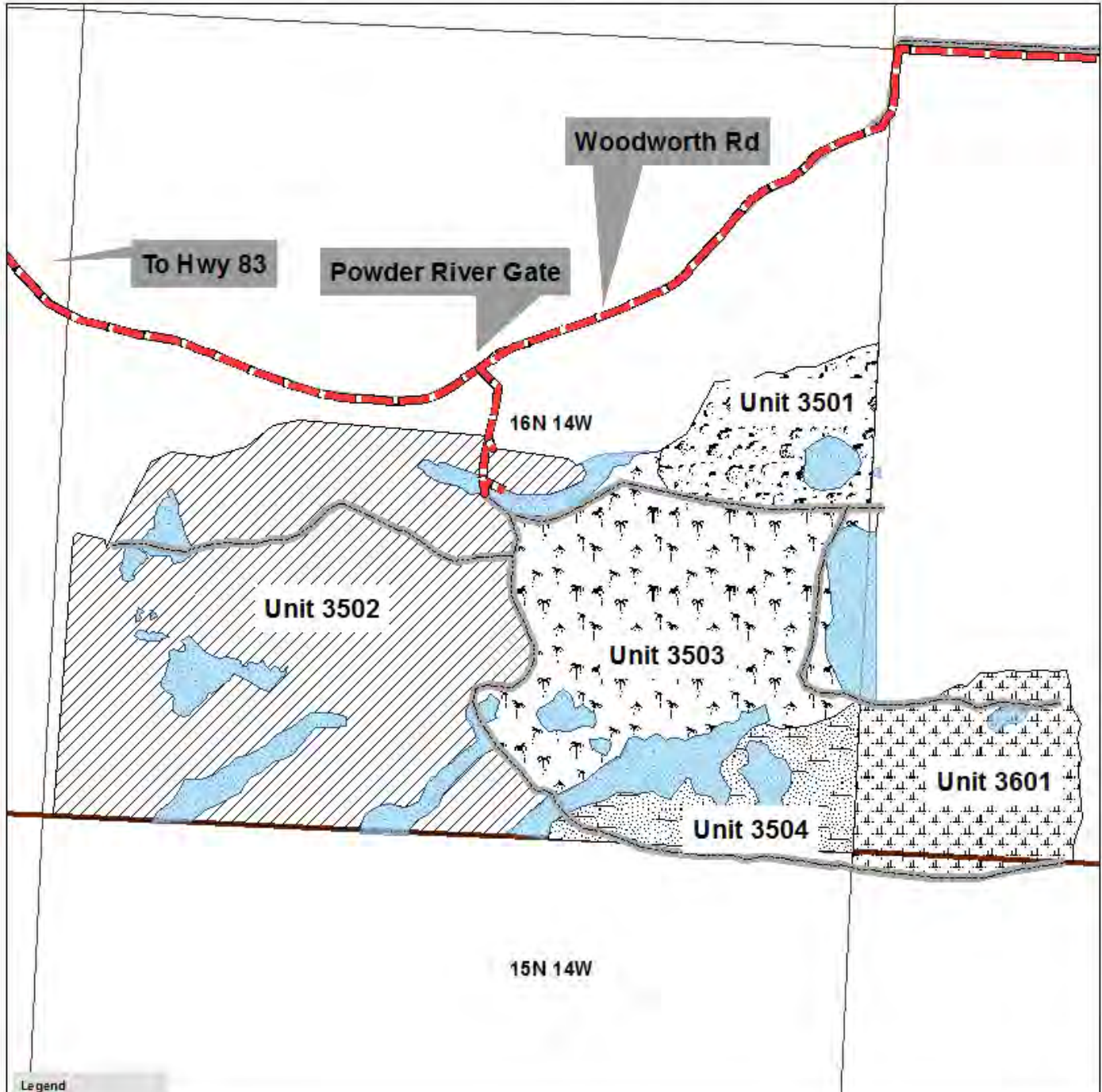


Game Over Timber Sale Haul Route

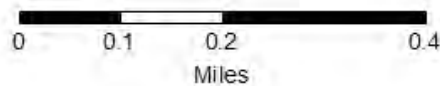




Game Over Timber Sale Section 35, 36 T15N R14W



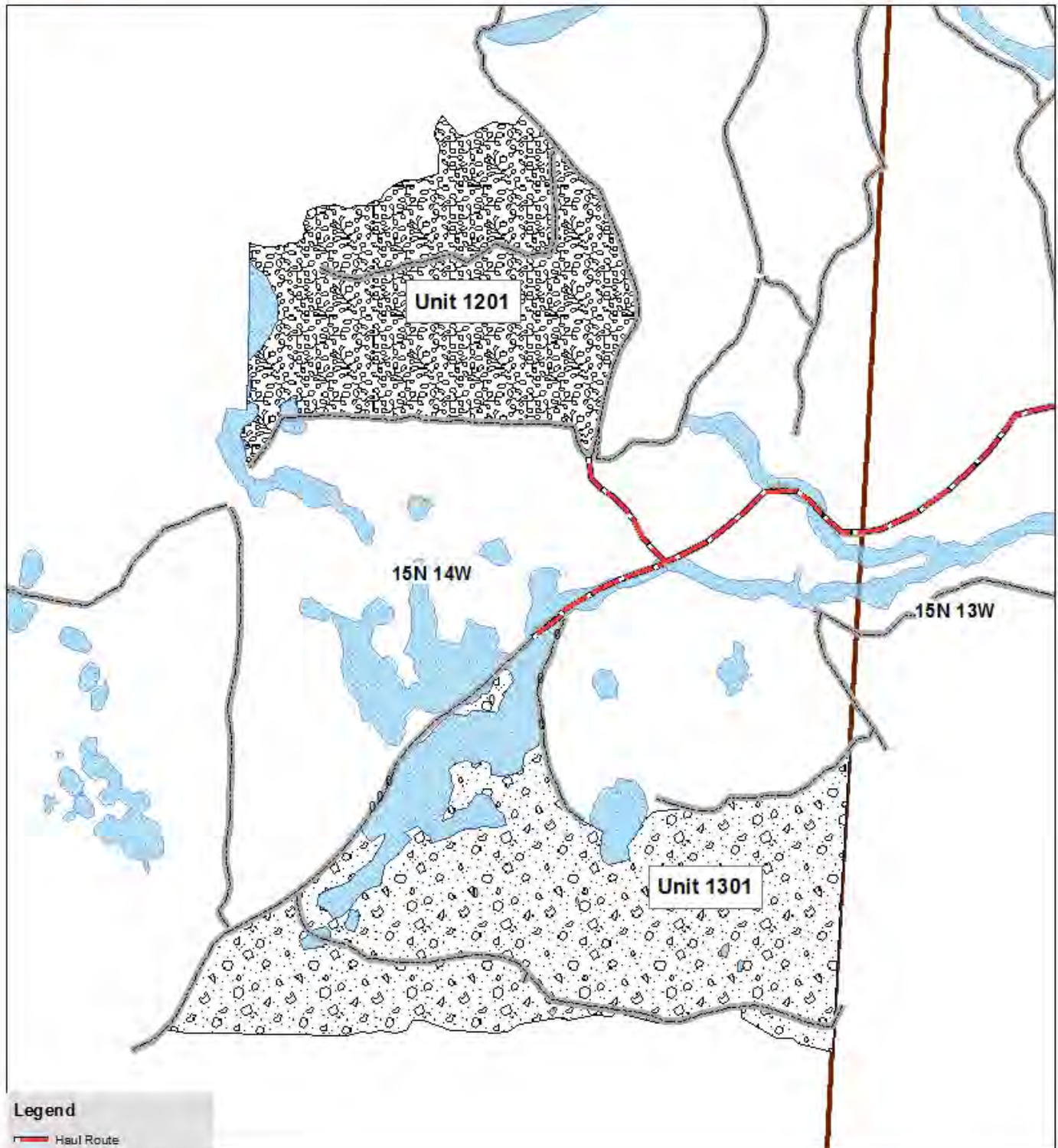
- Legend**
- Haul Route
 - Game Range Sale Roads
 - B/I
 - Unit_3501
 - Unit_3502
 - Unit_3503
 - Unit_3504
 - Unit_3601
 - Unit_1201
 - Unit_1301



Created by:
C. Super
Date: 12/3/2015

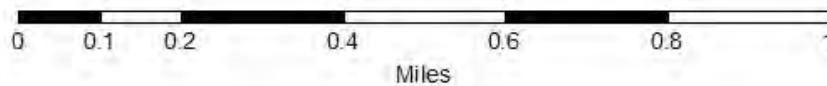


Game Over Timber Sale Sections 12, 13



Legend

- Haul Route
- Game Range Sale Roads
- SMZ
- Unit_1201
- Unit_1301



Created by:
C. Super
Date: 10/19/2015

216-2

SALE OF CABIN AND HOME SITES:

Set Minimum Bid for Sale

A. Missoula County - Sale 766

B. Flathead County - Sales 786, 787

**Land Board Agenda Item
February 16, 2016**

216-2A Sale of Cabin and Home Site: Set Minimum Bid for Sale – Sale 766

Location: Missoula County

Trust Benefits: MSU 2nd Grant

Trust Revenue: \$ 95,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on one cabin site nominated for sale in Missoula County. Sale 766 was nominated by the lessee. This lot is located approximately 3.5 miles southwest of Seeley Lake, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
766	1.19	Lot 10, Morrell Flats, Section 14, T16N-R15W	John & Elaine Christensen	MSU 2 nd

Lot 10 is currently leased as a cabin site and produces an average income for residential leases statewide.

The parcel will be sold with the access that is currently provided under the lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short-term – The average rate of return on sale parcel 766 is 1.94%. The sale parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. This sale will have no effect to state-owned heritage properties.

Appraised Values of Land and Improvements:

Sale #	Appraised Value of Land	Appraised Value of Improvements
766	\$95,000	\$45,000

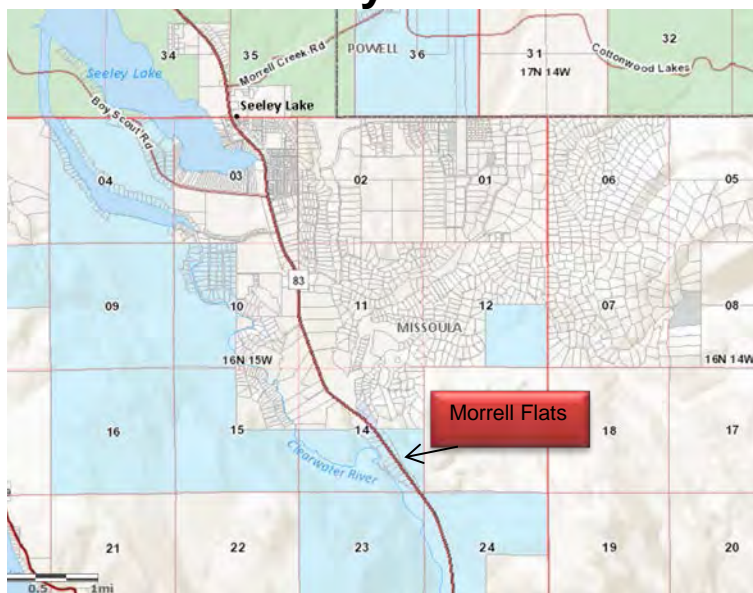
At the request of the lessee and in accordance with 77-2-317(1)(c), MCA, an informal administrative hearing was held on November 9, 2015, to contest the valuations of both the land and improvements under consideration for sale. The hearing examiner concluded that the appraisal valuation for both the land and improvements was a reasonable and unbiased estimate of current

fair market value and recommends the Land Board set the minimum bid at the appraised values stated above.

DNRC Recommendation

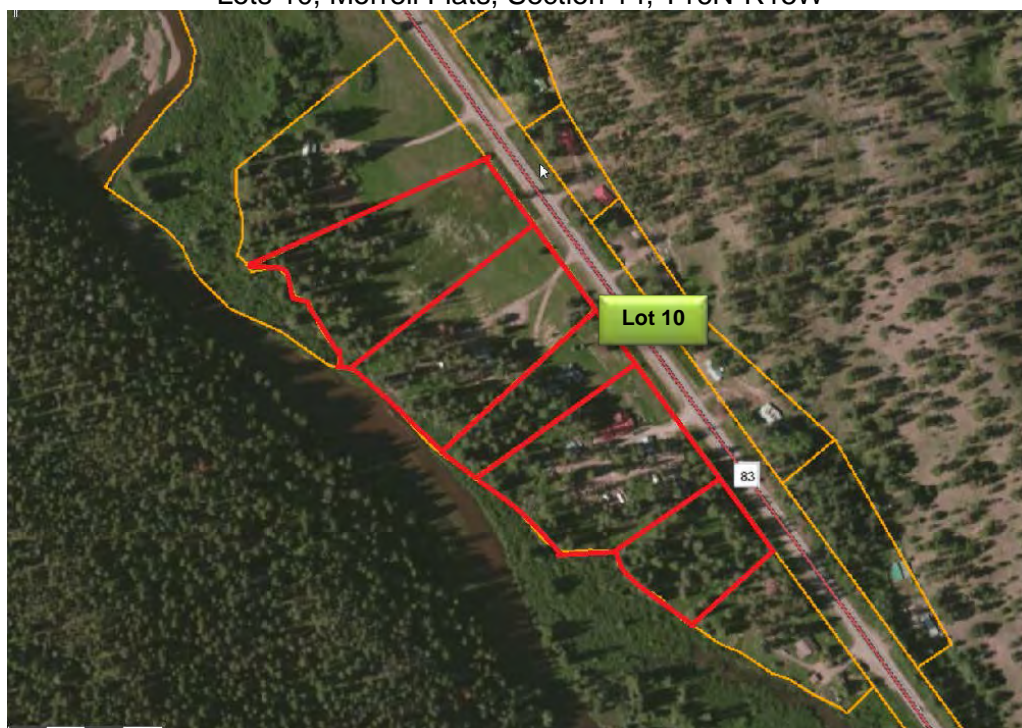
The director recommends the Land Board set the minimum bid for the cabin site lot at the appraised value and the maximum values of compensation for the improvements shown above.

Missoula County Sale Location Map



Sale #766

Lots 10, Morrell Flats, Section 14, T16N-R15W



216-2B Sale of Cabin and Home Site: Set Minimum Bid for Sale – Sales 786,787

Location: Flathead County Trust

Benefits: Montana Tech Trust

Revenue: \$ 500,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on two cabin sites nominated for sale in Flathead County. Sales 786 and 787 were nominated by the lessees. These lots are located approximately 4.5 miles northwest of Whitefish, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
786	2.594	Hypothetical Lot 11A, Beaver Lake, Section 20, T31N-R22W	Dennis Theissen, et al.	Montana Tech
787	1.136	Hypothetic Lot 13A, Beaver Lake, Section 20, T31N-R22W	June Munski-Feenan, et al.	Montana Tech

Lots 11 and 13 are currently leased as cabin sites and produce an average income for residential leases statewide.

The parcels will be sold with the access that is currently provided under the lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short-term – The average rate of return on sale parcel 786 is 0.07%. The average rate of return on sale parcel 787 is 2.17%. The sale parcels would continue to receive these returns if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state-owned heritage properties.

Appraised Values of Land and Improvements:

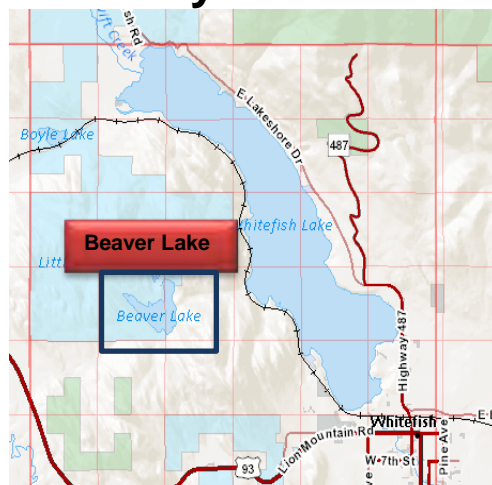
Sale #	Appraised Value of Land	Appraised Value of Improvements
786	\$240,000	\$102,000
787	\$260,000	\$115,000

At the request of the lessees and in accordance with 77-2-317(1)(c), MCA, an informal administrative hearing was held on December 14, 2015, to contest the valuations of both the land and improvements under consideration for sale. The hearing examiner concluded that the appraisal valuation for both the land and improvements was a reasonable and unbiased estimate of current fair market value; and, recommends that the Land Board set the minimum bid at the appraised values stated above.

DNRC Recommendation

The director recommends the Land Board set the minimum bid for the cabin site lots at the appraised values and the maximum values of compensation for the improvements shown above.

Flathead County Sale Location Map



Sale #786 & 787

Hypothetical Lots 11A & 13A, Beaver Lake, Section 20, T31N-R22W



216-3

SALE OF CABIN AND HOME SITES:

Final Approval for Sale

A. Missoula County – Sale 767

B. Flathead County – Sale 792

C. Flathead County – Sales 798, 799, 804

**Land Board Agenda Item
February 16, 2016**

216-3A Sale of Cabin and Home Sites: Final Approval for Sale – Sale 767

Location: Missoula County

Trust Benefits: MSU 2nd Grant

Trust Revenue: \$50,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Missoula County. The sale was nominated by the lessee and is located approximately three miles southeast of Seeley Lake, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
767	2.668	Lot 11, Morrell Flats, T16N-R15W, Sec. 14	Lila Davis & Guy Clatterbuck	MSU 2 nd

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide.

The parcel will be sold with the access that is currently provided under the lease agreement.

Economic Analysis:

Short-term – The average rate of return on the sale parcel is 3.83%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. This sale of will have no effect to state-owned heritage properties.

Background:

In March 2015 the Land Board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In October 2015 the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

Sale #	Minimum Bid of Land	Appraised Value of Improvements
767	\$50,000	\$103,000

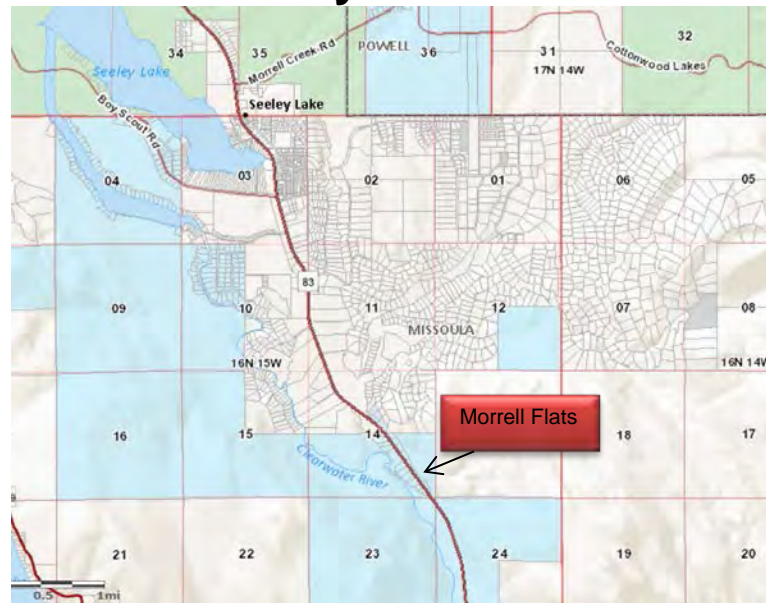
Sale Price:

The cabin site was sold at a public auction on January 20, 2016. The parcel had only one bidder, who was the current lessee and improvements owner. The parcel was sold for the minimum bid amount listed above.

DNRC Recommendation

The director recommends final approval for the cabin site lot at the appraised value shown above. The sale will be closed within 30 days of final approval by the Land Board.

Missoula County Sale Location Map

**Sale #767**

Lot 11 – Morrell Flats, Section 14, T16N-R15W
Lila Davis and Guy Clatterbuck



216-3B Sale of Cabin and Home Sites: Final Approval for Sale – Sale 792

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$230,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Flathead County. The sale was nominated by the lessee and is located approximately 3.5 miles southeast of Marion, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
792	1.275	Lot 32, Lake Rogers, T27N-R23W, Sec. 30	Matt Schneider	Montana Tech

The parcel is currently leased as cabin site and produces an average income for residential leases statewide.

The parcel will be sold with the access that is currently provided under the lease agreement.

Economic Analysis:

Short-term – The average rate of return on the sale parcel is 2.77%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. This sale of will have no effect to state-owned heritage properties.

Background:

In July 2015 the Land Board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In November 2015 the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

Sale #	Minimum Bid of Land	Appraised Value of Improvements
792	\$230,000	\$530,000

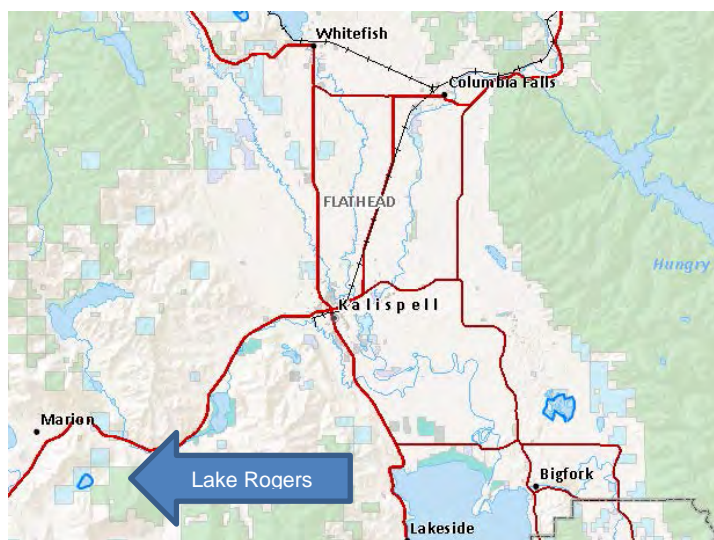
Sale Price:

The cabin site was sold at a public auction on February 3, 2016. The parcel had only one bidder, who was the current lessee and improvements owner. The parcel was sold for the minimum bid amount listed above.

DNRC Recommendation

The director recommends final approval for the cabin site lot at the appraised value shown above. The sale will be closed within 30 days of final approval by the board.

Flathead County Sale Location Map

**Sale #792**

Lot 32 – Lake Rogers, Section 30, T27N-R23W



216-3C Sale of Cabin and Home Sites: Final Approval for Sale – Sale Nos. 798, 799, 804

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: \$960,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on three cabin sites nominated for sale in Flathead County. These sales were nominated by the lessees and are located approximately four miles north of Bigfork, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
798	1.455	Lot 41, Echo Lake, T27N-R19W, Sec. 5	Wade & Amanda Swenson	Montana Tech
799	1.27	Lot 32, Echo Lake, T27N-R19W, Sec. 5	Echo Lake, LLC	Montana Tech
804	1.008	Lot 39, Echo Lake, T27N-R19W, Sec. 5	Bill & Debra Llewellyn	Montana Tech

These parcels are currently leased as cabin sites and produce an average income for residential leases statewide.

The parcels will be sold with the access that is currently provided under the lease agreement.

Economic Analysis:

Short-term – The average rate of return on sale 798 is 1.97%. The average rate of return on sale 799 is 2.93%. The average rate of return on sale 804 is 1.98%. The parcels would continue to receive this return if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

A Class I level of cultural resource inventory was conducted for the proposed sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. The sales will have no effect to state-owned heritage properties.

Background:**216-3C**

In July 2015 the Land Board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In November 2015 the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

Sale #	Minimum Bid of Land	Appraised Value of Improvements
798	\$330,000	\$225,000
799	\$350,000	\$420,000
804	\$280,000	\$305,000

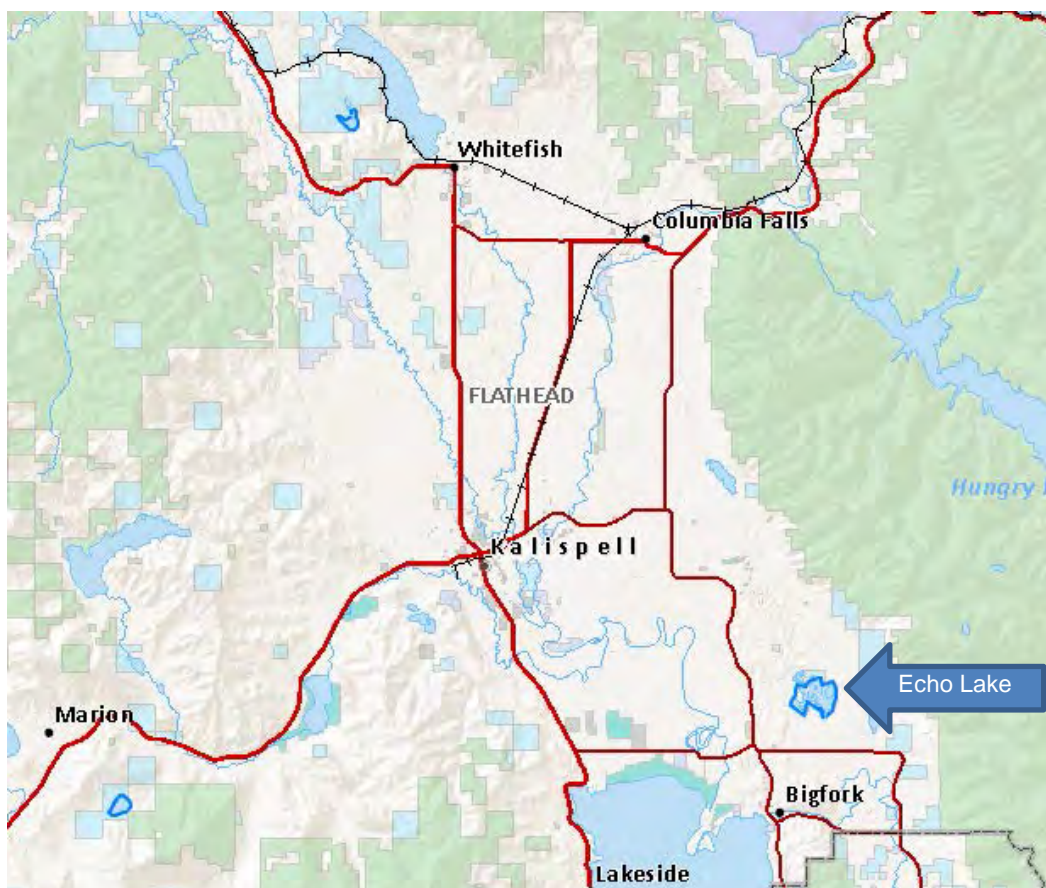
Sale Price:

The cabin sites were sold at a public auction on February 3, 2016. The parcels had only one bidder each, who were the current lessees and improvements owners. The parcels were sold for the minimum bids amount listed above.

DNRC Recommendation

The director recommends final approval for the cabin site lots at the appraised value shown above. The sales will be closed within 30 days of final approval by the Land Board.

Flathead County Sale Location Map



Sale #798 - Lot 41

Sale #799 - Lot 32

Sale #804 - Lot 39



216-4

LAND BANKING SALES:

Final Approval for Sale

A. Valley County - Sales 720-723

B. Ravalli County – Sale 757

C. Granite County – Sale 758

**Land Board Agenda Item
February 16, 2016**

216-4A Land Banking Parcel: Final Approval for Sale – Sales 720-723

Location: Valley County

Trust Benefits: Common Schools, Eastern College – MSU/Western College –
U M

Trust Revenue: \$227,996

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on four parcels totaling 480 acres which were nominated for sale in Valley County. The sales were nominated by the lessee, and are located approximately 43 miles northeast of Glasgow, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
720	40	SW ¼ NW ¼ Section 29, T35N-R42E	Kenneth Greenwood	Common Schools
721	120	NE ¼ NW ¼, S ½ NW ¼ Section 25, T35N-R41E	Kenneth Greenwood	Western/Eastern
722	40	SW ¼ SE ¼ Section 25, T35N-R41E	Kenneth Greenwood	Western/Eastern
723	280	S ½ NE ¼, SE ¼, NE ¼ SW ¼ Section 30, T25N-R42E	Kenneth Greenwood	Common Schools

Sale parcels 720 through 722 are used primarily for livestock grazing purposes. The parcels have average productivity for grazing lands statewide.

Sale parcel 723 includes approximately 114 acres of agricultural land and 166 acres of grazing land. The parcel has average productivity for agricultural and grazing lands statewide.

Parcels 720 and 723 are legally accessible by the public and parcels 721 and 722 are not legally accessible by the public.

No potentially negative issues were identified through the Montana Environmental Policy Act (MEPA) process regarding the sale of this parcel.

Economic Analysis:

Short-term – The rate of return on sale parcel 720 is 1.78%. The rate of return on sale parcel 721 is 1.5%. The rate of return on sale parcel 722 is 0.43%. The rate of return on sale parcel 723 is 3.13%. The parcels would continue to receive this return if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average

annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In April 2015 the Land Board granted preliminary approval for these parcels to continue through the land banking sale evaluation process. In October 2015 the board set the minimum bid at the appraised value with access as follows:

Sale #	Minimum Bid
720	\$25,320
721	\$55,592
722	\$14,600
723	\$132,484

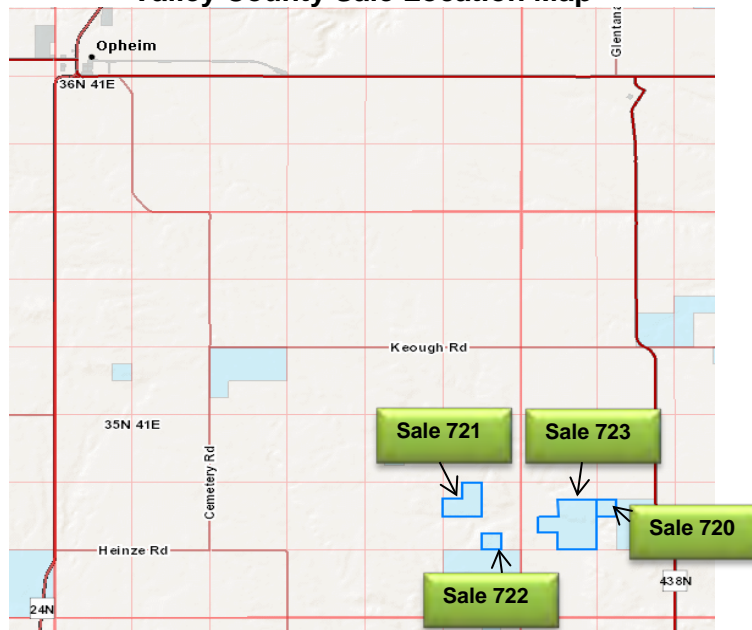
Sale Price

The parcels were sold at a public auction on January 13, 2016. The parcels had only one bidder and were sold for the minimum bid amounts listed above.

DNRC Recommendation

The director recommends final approval of Land Banking Sales 720 through 723. The sales will be closed within 30 days of final approval by the Land Board.

Valley County Sale Location Map



Sale #720
SW $\frac{1}{4}$ NW $\frac{1}{4}$,
Section 29, T35N-R42E

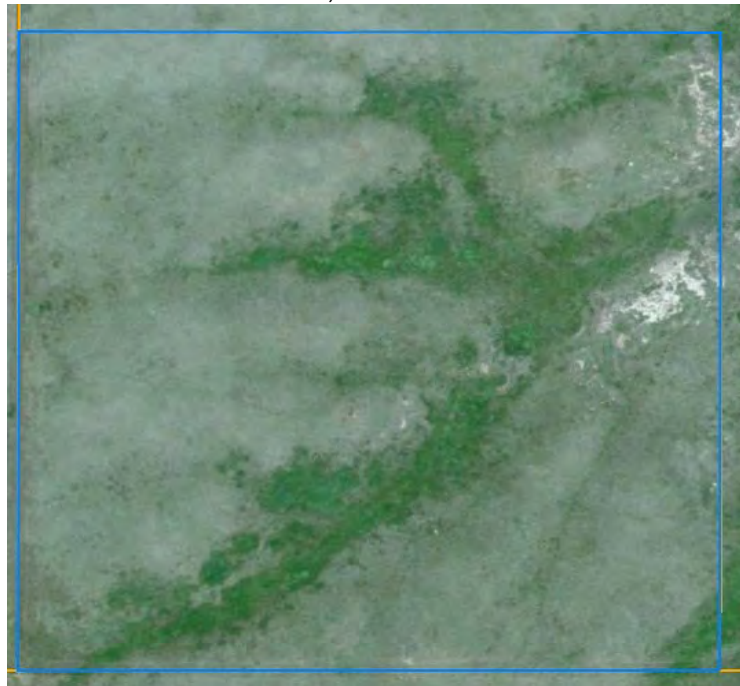


Sale #721
NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$,
Section 25, T35N-R41E

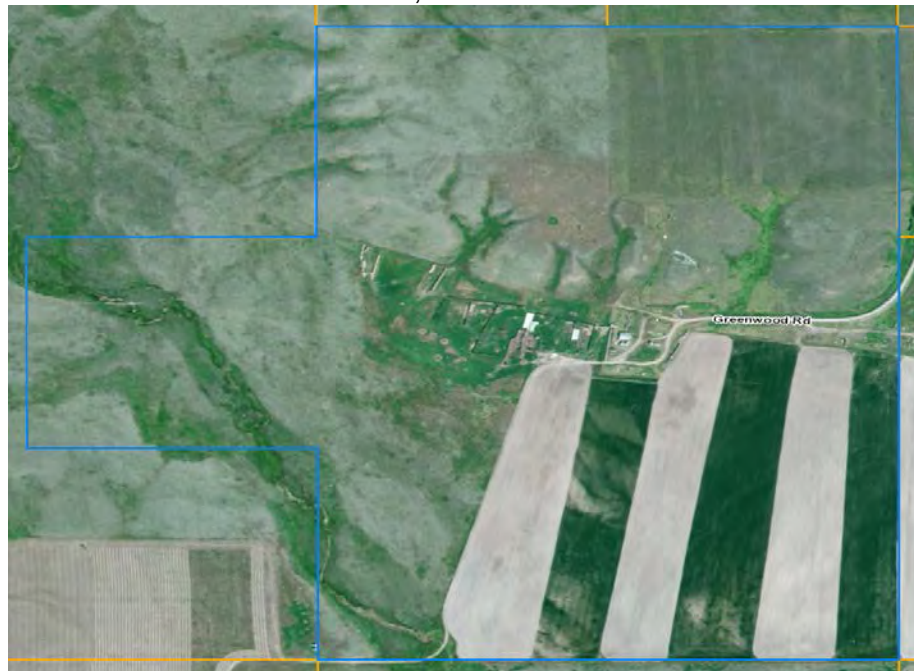


Sale #722

SW $\frac{1}{4}$ SE $\frac{1}{4}$,
Section 25, T35N-R41E



Sale #723
S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$,
Section 30, T35N-R42E



**Land Board Agenda Item
February 16, 2016**

216-4B Land Banking Parcel: Final Approval for Sale – Sale 757

Location: Ravalli County

Trust Benefits: Common Schools

Trust Revenue: \$636,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one parcel totaling 635.51 acres which was nominated for sale in Ravalli County. The sale was nominated by the DNRC Southwestern Land Office and is located approximately eight miles east of Stevensville, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
757	635.51	Lots 1-7, NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, Section 36, T9N-R19W	DNRC - SWLO	Common Schools

Sale parcel 757 has been managed primarily for the long-term production of forest products—grazing has been a secondary use. The parcel is average in forest productivity and average in revenue return.

The parcel is not legally accessible by the public.

No potentially negative issues were identified through the Montana Environmental Policy Act (MEPA) process regarding the sale of this parcel.

Economic Analysis:

Short-term – The rate of return on the sale parcel is 0.25%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel nominated for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In July 2015 the Land Board granted preliminary approval for this parcel to continue through the land banking sale evaluation process. In November 2015 the Land Board set the minimum bid at the appraised value with access as follows:

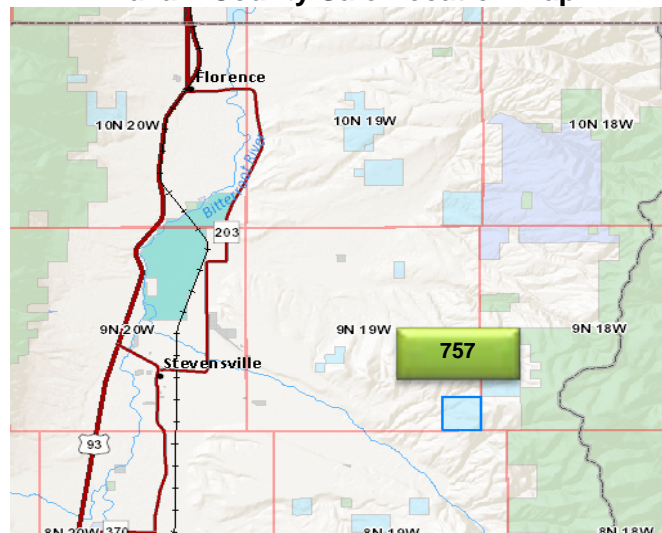
Sale #	Minimum Bid
757	\$636,000

Sale Price

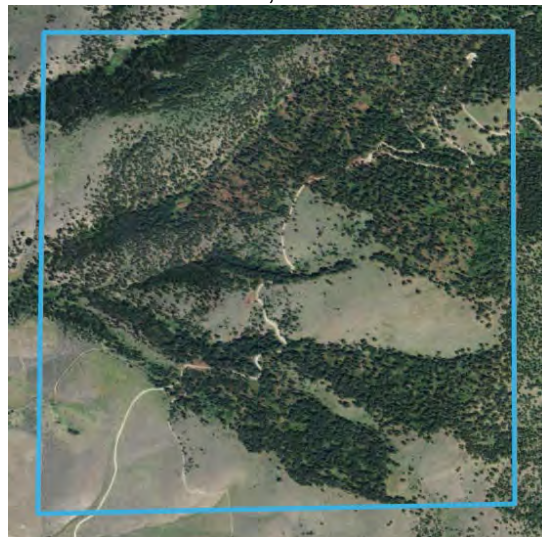
The parcel was sold at a public auction on February 2, 2016. The parcel had only one bidder and was sold for the minimum bid amount listed above.

DNRC Recommendation

The director recommends final approval of Land Banking Sale 757. The sale will be closed within 30 days of final approval by the Land Board.

Ravalli County Sale Location Map**Sale #757**

Lots 1-7, NW¼, W½NE¼, NW¼SE¼, N½SW¼
Section 36, T9N-R19W



**Land Board Agenda Item
February 16, 2016**

216-4C Land Banking Parcel: Final Approval for Sale – Sale 758

Location: Granite County

Trust Benefits: Common Schools

Trust Revenue: \$176,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one parcel totaling 160 acres which was nominated for sale in Granite County. The sale was nominated by Washington Limestone, LLC and is located approximately two miles southwest of Drummond, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
758	160	SW ¼ Section 36, T11N-R13W	Washington Limestone, LLC	Common Schools

Sale parcel 758 is used primarily for livestock grazing purposes. The parcel has average productivity for grazing lands statewide.

The parcel is not legally accessible by the public.

No potentially negative issues were identified through the Montana Environmental Policy Act (MEPA) process regarding the sale of this parcel.

Economic Analysis:

Short-term – The rate of return on the sale parcel is 0.24%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In July 2015 the Land Board granted preliminary approval for this parcel to continue through the land banking sale evaluation process. In October 2015 the board set the minimum bid at the appraised value with access as follows:

Sale #	Minimum Bid
758	\$176,000

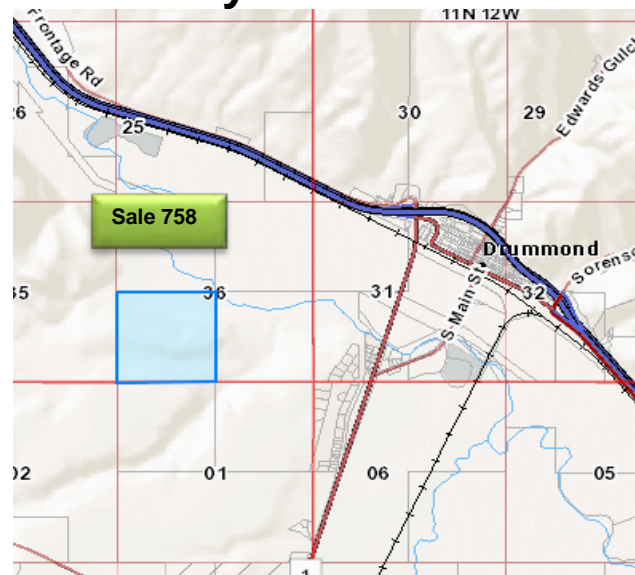
Sale Price

The parcel was sold at a public auction on January 20, 2016. The parcel had only one bidder and was sold for the minimum bid amount listed above.

DNRC Recommendation

The director recommends final approval of Land Banking Sale 758. The sale will be closed within 30 days of final approval by the Land Board.

Granite County Sale Location Map



Sale #758

SW¼, Section 36, T11N-R13W



216-5

EASEMENTS:

**Land Board Agenda Item
February 16, 2016**

216-5 Easements

Location: Cascade, Dawson, Gallatin, Lewis & Clark, Mineral, Missoula, Ravalli
Rosebud, Sanders

Trust Benefits: Common Schools, MSU 2nd, Eastern College – MSU/Western
College – UM, Public Buildings, Public Land Trust

Trust Revenue: Common Schools = \$20,787
MSU-2nd = \$360
Public Buildings = \$2,055
Public Land = \$1,064
Eastern College – (MSU)/Western – (UM) = \$1,310

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Applicant	Right-of-Way Purpose	Term	Page(s)
Rocky Torgerson	New Private Access Road	Permanent	1-2
Northwestern Energy	Amendment and New Natural Gas Pipeline	Permanent	3-6
Northwestern Energy	Historic Overhead Power	Permanent	7-21
Northwestern Energy	Historic Natural Gas Line	Permanent	22-27
BNSF	New Drainage Area	Permanent	28-29
Weisner	Historic Private Access Road	Permanent	30-31

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Rocky Torgerson 4 Fairgrounds Road Glendive MT 59330
Application No.:	17031
R/W Purpose:	a private access road to provide access to one single family residence and associated outbuildings
Lessee Agreement:	ok
Acreage:	0.15
Compensation:	\$113.00
Legal Description:	30-foot strip through NE4SE4, Sec. 36, Twp. 16N, Rge. 54E Dawson County
Trust Beneficiary:	Common Schools

Item Summary

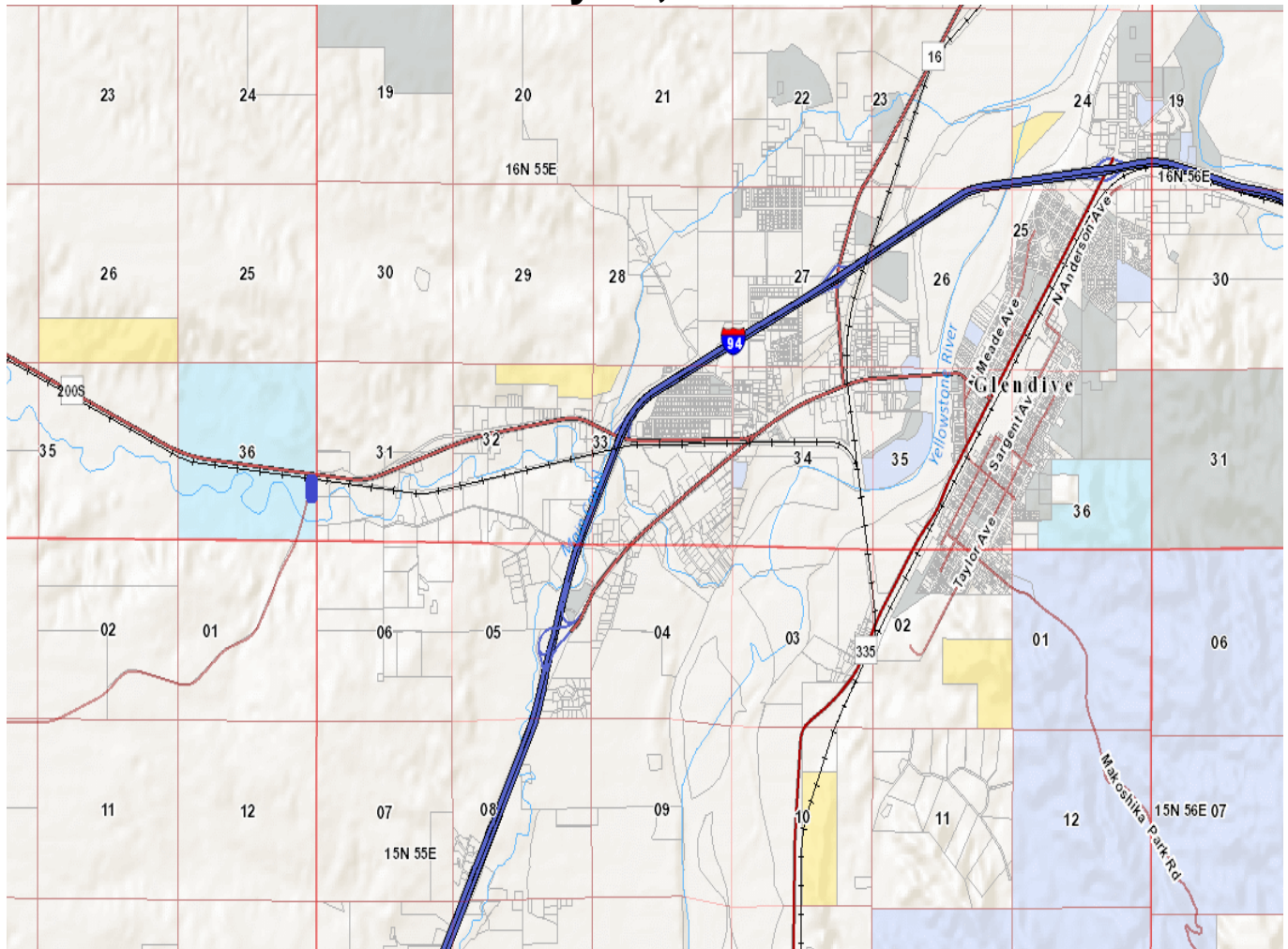
Rocky Torgerson has made application for a private road to provide access to one single family residence and associated outbuildings. The easement request will require construction of approximately 220 feet of new road on state land to provide a connection between an existing county road legally sited on state land and the east boundary of Mr. Torgerson's property. Mr. Torgerson's property is isolated on the north by an active railroad and other potential routes to the south involved crossing multiple landowners as well as a creek. The short route proposed on state land causes the least impact environmentally and has been aligned with the boundary of the railroad right of way and existing fence line so that it causes minimal impact to the use of the state land. Mr. Torgerson's property is described as being Lot 3, less 8.72 acres railroad acreage, Sec. 31, Twp. 16N, Rge. 55E.

DNRC Recommendation

The director recommends approval of this private access road.

Rights of Way Applications

February 16, 2016



Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 40 E Broadway Butte MT 59701
Application No.:	3857A
R/W Purpose:	a buried 12" natural gas pipeline
Lessee Agreement:	ok
Acreage:	2.99
Compensation:	None Recommended, See Below
Legal Description:	40-foot strip through NW4SE4, NE4SW4, S2NW4, Sec. 36, Twp. 1S, Rge. 5Ed Gallatin County
Trust Beneficiary:	Common Schools

Item Summary

Northwestern Energy has made application for the replacement and partial relocation of a segment of an existing natural gas transmission pipeline previously authorized under an easement granted by the Land Board in 1950. The existing pipeline runs diagonally through state land and hinders the ability to develop the property for commercial purposes. Relocating the line to the north property boundary and removal of the existing pipeline provides a financial benefit to the state that would otherwise not be realized. For that reason, it is recommended the Land Board accept relocation and removal of the pipeline as an in-kind service to the trust.

As part of this replacement and relocation, a new gate station will be constructed on the state land—also to be located along the north property boundary. These projects are identified below under separate applications. As these facilities do not provide a benefit to the trust, compensation is required.

In the area of this proposed project a bald eagle nest is present. Northwestern Energy will be required to follow the Migratory Bird Treaty Act and the Bald and Golden Eagle Protection Act (50 CFR 22.26) for all ground disturbance activities.

DNRC Recommendation

The director recommends approval of this application for access to a buried natural gas pipeline and gate station.

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 40 East Broadway Butte MT 59701
Application No.:	17127
R/W Purpose:	a buried 12" natural gas pipeline and gate station
Lessee Agreement:	ok
Acreage:	0.27
Compensation:	\$4864.00
Legal Description:	a tract of land in NW4SE4, Sec. 36, Twp. 1S, Rge. 5E Gallatin County
Trust Beneficiary:	Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
40 E Broadway
Butte MT 59701

Application No.: 17129
R/W Purpose: a buried 12" natural gas pipeline and gate station
Lessee Agreement: ok
Acreage: 0.23
Compensation: \$4143.00
Legal Description: tract of land in NW4SE4, Sec. 36, Twp. 1S, Rge. 5E
Gallatin County
Trust Beneficiary: Common Schools

Item Summary

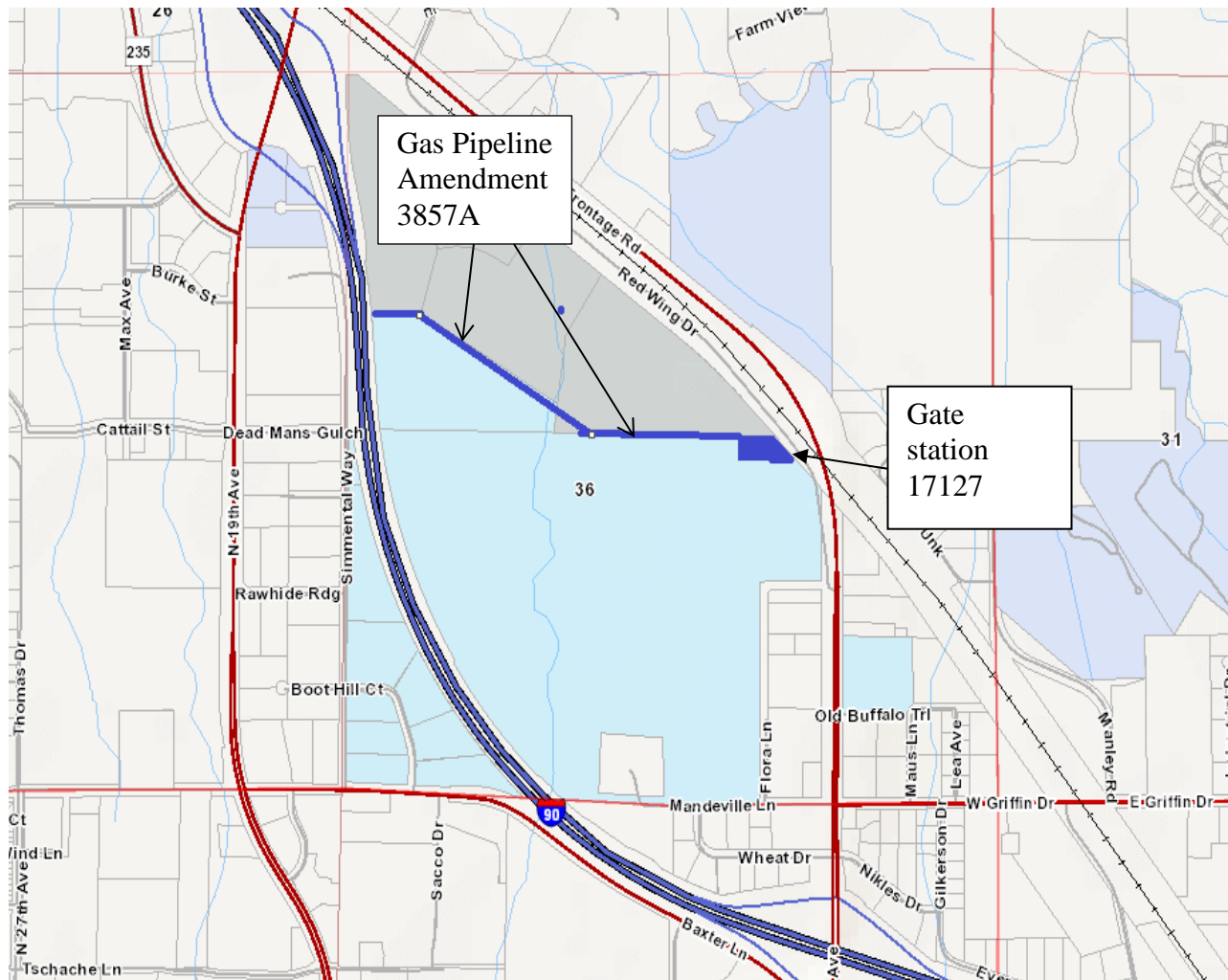
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Department Recommendation

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Rights of Way Applications

February 16, 2016



Application #s 3857A, 17127

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17160
R/W Purpose:	a 7.2kV overhead electric distribution line across the Clark Fork River
Lessee Agreement:	N/A (Historic)
Acreage:	0.09
Compensation:	\$200.00
Legal Description:	10-foot strip through SE4SE4, Sec. 1 & NE4NE4, Sec. 12, Twp. 14N, Rge. 23W Missoula County
Trust Beneficiary:	Public Land Trust

Item Summary

Northwestern Energy has made application for this overhead electric distribution line that was constructed on state land many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA, Northwestern Energy is requesting recognition of this overhead electric distribution line as an historic right of way.

DNRC Recommendation

The director recommends approval of this historic right of way for Northwestern Energy.

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17161
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	1.9
Compensation:	\$2850.00
Legal Description:	30-foot strip through W2SW4, Sec. 16, Twp. 15N, Rge. 22W Missoula County
Trust Beneficiary:	Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17162
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	1.2
Compensation:	\$1200.00
Legal Description:	30-foot strip through S2NE4, NW4SE4, Sec. 4, Twp. 20N, Rge. 25W, Sanders County
Trust Beneficiary:	Common Schools

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DNRC Recommendation

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17163
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	1.94
Compensation:	\$1940.00
Legal Description:	30-foot strip through NE4SW4, S2SW4, Sec. 5, Twp. 20N, Rge. 25W Sanders County
Trust Beneficiary:	Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17164
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	1.05
Compensation:	\$630.00
Legal Description:	30-foot strip through SW4SW4, Sec. 36, Twp. 20N, Rge. 26W Sanders County
Trust Beneficiary:	Common Schools

Item Summary

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17165
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.73
Compensation:	\$460.00
Legal Description:	30-foot strip through SW4SW4, Sec. 28 & SE4SE4, Sec. 29, Twp. 18N, Rge. 27W Mineral County
Trust Beneficiary:	Common Schools, MSU 2 nd

Item Summary

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17166
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	2.62
Compensation:	\$1310.00
Legal Description:	30-foot strip through N2NW4, SE4NW4, Sec. 32, Twp. 18N, Rge. 27W Mineral County
Trust Beneficiary:	Eastern College – MSU/Western College – UM

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17167
R/W Purpose:	a 100kV overhead electric transmission line across the Clark Fork River
Lessee Agreement:	N/A (Historic)
Acreage:	0.12
Compensation:	\$200.00
Legal Description:	30-foot strip through NE4NW4, Sec. 1, Twp. 14N, Rge. 24W; SE4SW4, Sec. 36, Twp. 15N, Rge. 24W Mineral County
Trust Beneficiary:	Public Land Trust

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DNRC Recommendation

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17168
R/W Purpose:	a 115kV overhead electric transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	3.73
Compensation:	\$3730.00
Legal Description:	60-foot strip through NE4SW4, S2SW4, Sec. 5, Twp. 20N, Rge. 25W Sanders County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17169
R/W Purpose:	a 115kV overhead electric transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	3.73
Compensation:	\$3730.00
Legal Description:	60-foot strip through NE4SW4, S2SW4, Sec. 5, Twp. 20N, Rge. 25W Sanders County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17170
R/W Purpose:	a 100kV overhead electric transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	2.84
Compensation:	\$1420.00
Legal Description:	40-foot strip through E2NW4, SW4NE4, Sec. 5, Twp. 17N, Rge. 27W Mineral County
Trust Beneficiary:	Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17171
R/W Purpose:	a 100kV overhead electric transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	0.22
Compensation:	\$110.00
Legal Description:	40-foot strip through SW4SW4, Sec. 9, Twp. 17N, Rge. 27W Mineral County
Trust Beneficiary:	Common Schools

Item Summary

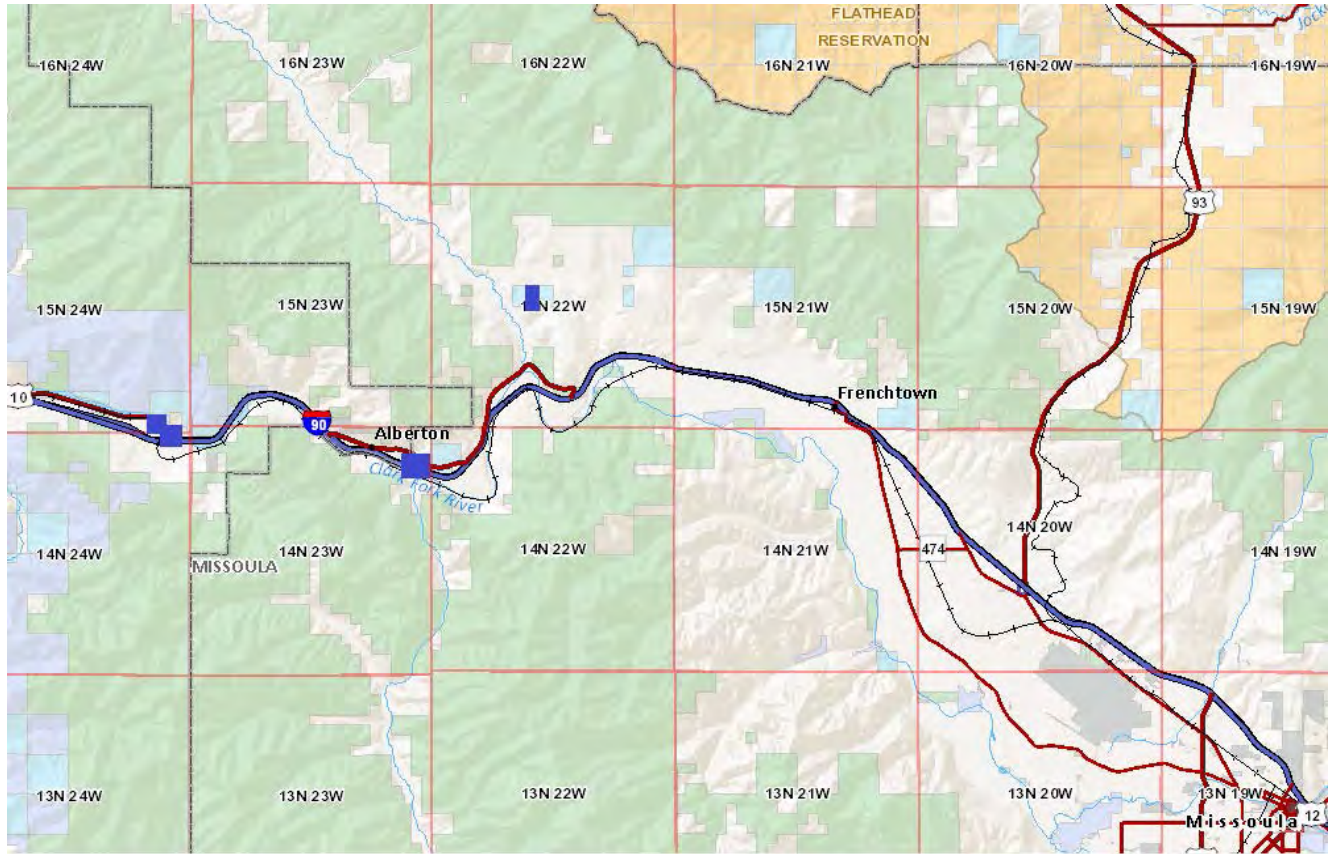
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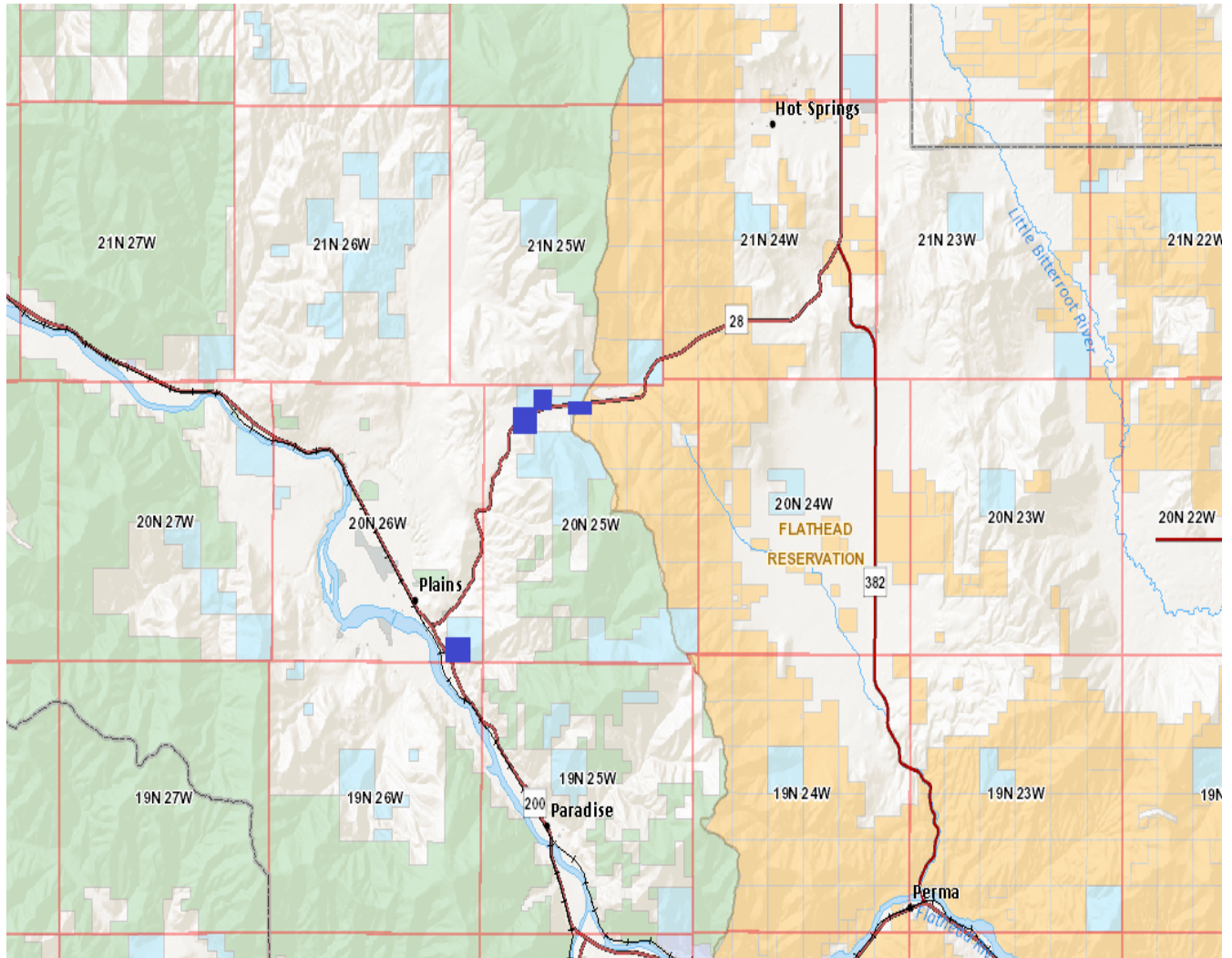
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Application #s 17160, 17161, 17167

Rights of Way Applications

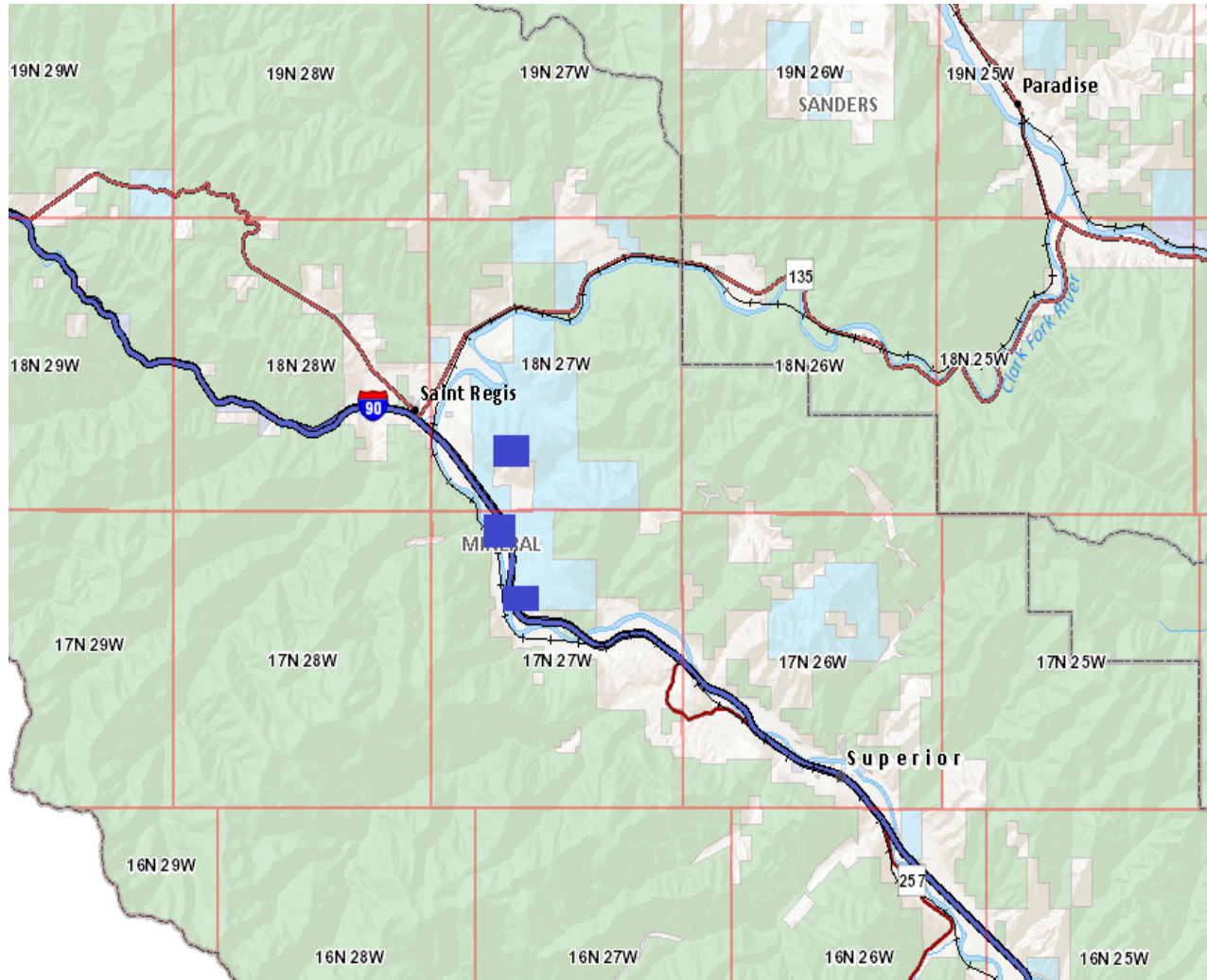
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Application #s 17162, 17163, 17164, 17168, 17169

Rights of Way Applications

February 16, 2016



Application #s 17165, 17170, 17171

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17172
R/W Purpose:	a 8" natural gas distribution line under the Clark Fork River
Lessee Agreement:	N/A (Historic)
Acreage:	0.18
Compensation:	\$264.00
Legal Description:	30-foot strip through SW4SE4, Sec. 17, Twp. 13N, Rge. 19W Missoula County
Trust Beneficiary:	Public Land Trust

Item Summary

Northwestern Energy has made application for this natural gas line that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to 77-1-130, MCA, Northwestern Energy is requesting recognition of this natural gas line as an historic right of way.

DNRC Recommendation

The director recommends approval of this historic right of way for Northwestern Energy.

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17177
R/W Purpose:	a 12" natural gas transmission line under the Clark Fork River
Lessee Agreement:	N/A (Historic)
Acreage:	0.28
Compensation:	\$100.00
Legal Description:	50-foot strip through NE4NW4, NW4NE4, Sec. 18, Twp. 12N, Rge. 17W Missoula County
Trust Beneficiary:	Public Land Trust

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17178
R/W Purpose:	a 8" natural gas transmission line under the Bitterroot River
Lessee Agreement:	N/A (Historic)
Acreage:	0.36
Compensation:	\$180.00
Legal Description:	30-foot strip through NE4SW4, NW4SE4, Sec. 29, Twp. 8N, Rge. 20W Ravalli County
Trust Beneficiary:	Public Land Trust

Item Summary

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Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy PO Box 4467 Missoula MT 59806
Application No.:	17179
R/W Purpose:	a 8" natural gas transmission line under the Bitterroot River
Lessee Agreement:	N/A (Historic)
Acreage:	0.2
Compensation:	\$120.00
Legal Description:	30-foot strip through SW4NW4, Sec. 36, Twp. 12N, Rge. 20W Missoula County
Trust Beneficiary:	Public Land Trust

Item Summary

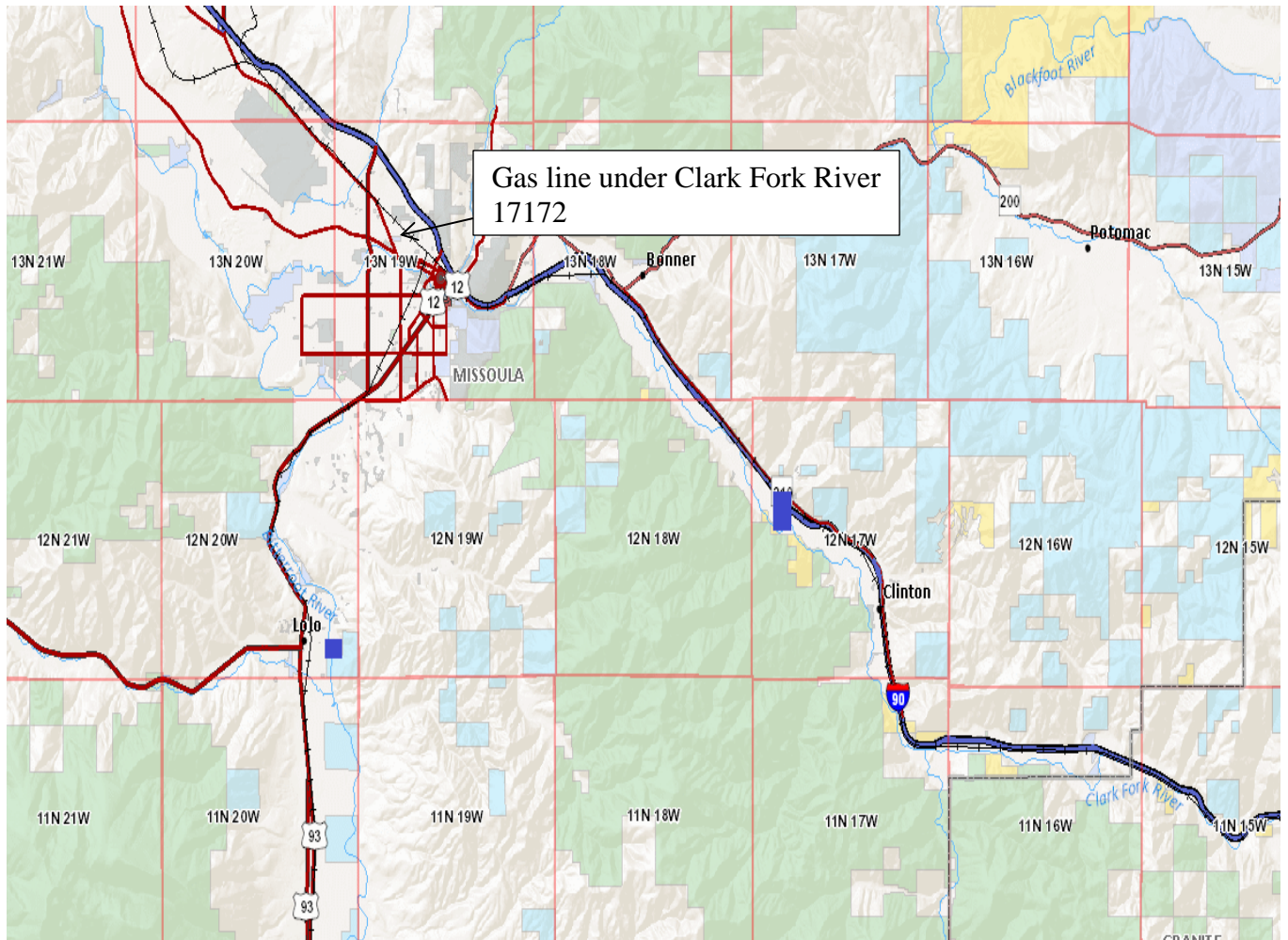
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Rights of Way Applications

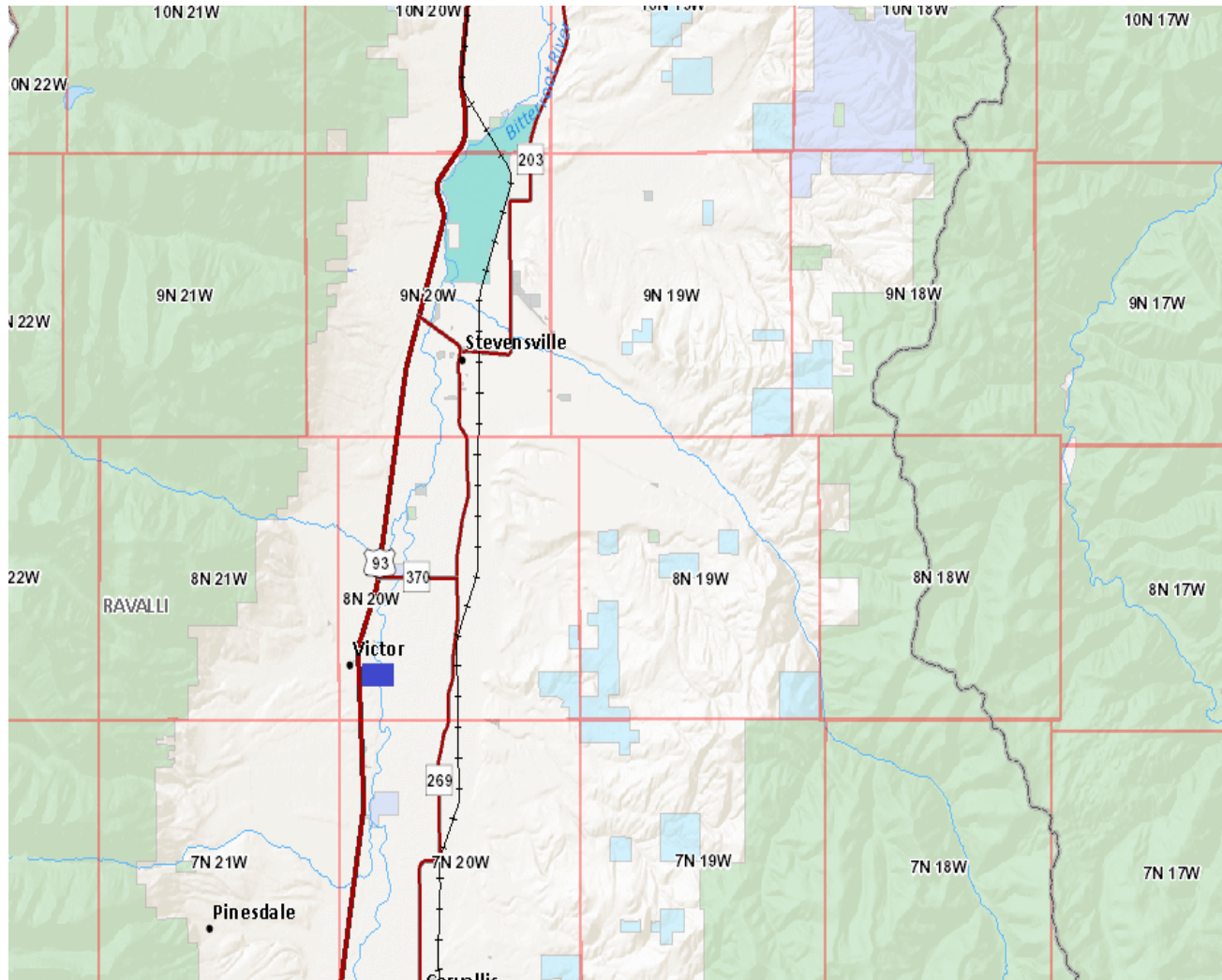
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Application #s 17172, 17177, 17179

Rights of Way Applications

February 16, 2016



Application # 17178

Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Burlington Northern Sante Fe (BNSF) 2500 Lou Menk Drive, AOB #3 Fort Worth TX 76137
Application No.:	17182
R/W Purpose:	culvert installation for rail line protection
Lessee Agreement:	ok
Acreage:	0.17
Compensation:	\$100.00
Legal Description:	tract of land in the NE4SW4, Sec. 36, Twp. 22N, Rge. 4E Cascade County
Trust Beneficiary:	Common Schools

Item Summary

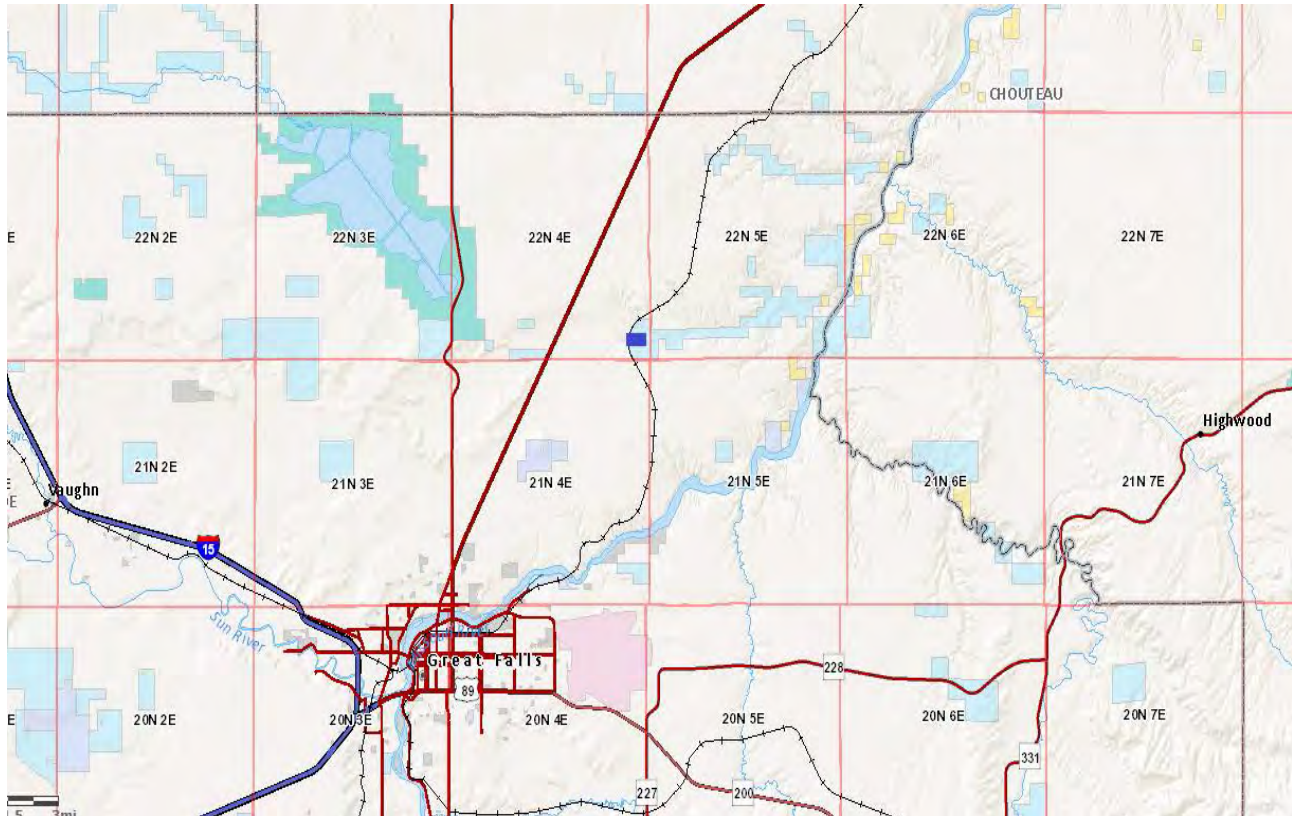
BNSF has made application for a culvert extension located alongside an active rail line. Groundwater issues caused considerable erosion under the railroad tracks which created an unstable environment. Due to the weakness in the railroad grade caused by a major slide of soil material, the situation was urgent; therefore, a land use license was issued for BNSF to begin the process of construction of this culvert extension. Installation of the culvert stabilized the area and will prevent potential derailments in the area. The license that was issued required BNSF to make application for a permanent easement for the use.

DNRC Recommendation

The director recommends approval of this culvert extension request.

Rights of Way Applications

February 16, 2016



Rights of Way Applications

February 16, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	James T. Weisner PO Box 286 Augusta MT 59410
Application No.:	17183
R/W Purpose:	a private access road for the purpose of conducting normal farming and ranching operations
Lessee Agreement:	N/A (Historic)
Acreage:	1.37
Compensation:	\$2055.00
Legal Description:	20-foot strip through E2SE4, SW4SE4, Sec. 5, Twp. 19N, Rge. 8W Lewis & Clark County
Trust Beneficiary:	Public Buildings

Item Summary

James T. Weisner has made application for the use of an existing road to access his private lands for the purpose of conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as being the SW4SW4, Section 5; SE4, Section 6 and the N2NW4, NW4NE4, Section 8.

DNRC Recommendation

The department recommends approval of this historic private access road application.

Rights of Way Applications

February 16, 2016

